To Those Shareholders with Voting Rights

Consolidated Statement of Changes in Equity for the 95th Fiscal Term

Notes to the Consolidated Financial Statements for the 95th Fiscal Term

Non-Consolidated Statement of Changes in Equity for the 95th Fiscal Term

Notes to the Non-Consolidated Financial Statements for the 95th Fiscal Term

The above documents are provided to shareholders of the Company by posting them on the Company's Web site (https://www.denso.com/global/en/) in accordance with the relevant laws and regulations and Article 16 of the Articles of Incorporation. They form a part of the information subject to audits when the Audit & Supervisory Board prepared its Audit Report and the Accounting Auditors prepared their Independent Auditors' Report.

May 25, 2018

DENSO CORPORATION

Consolidated Statement of Changes in Equity
(From April 1, 2017, to March 31, 2018)

(Millions of yen)

	Equity attributable to owners of the parent company				
				Other components of equity	
	Capital stock	Capital surplus	Treasury stock	Net fair value gain on equity instruments designated as FVTOCI	Remeasurements of defined benefit pension plans
Balance as of April 1, 2017	**187,457**	**265,985**	**(31,191)**	**418,337**	**—**
Profit for the year	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	84,195	12,895
Comprehensive income (loss) for the year	**—**	**—**	**—**	**84,195**	**12,895**
Acquisition of treasury stock	—	—	(26,486)	—	—
Disposal of treasury stock	—	0	0	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without loss of control	—	—	—	—	—
Changes from business combination	—	—	—	—	—
Transfer to retained earnings	—	—	—	(2,802)	(12,895)
Other increase (decrease)	—	—	—	—	—
Total transactions with the owners	**—**	**0**	**(26,486)**	**(2,802)**	**(12,895)**
Balance as of March 31, 2018	**187,457**	**265,985**	**(57,677)**	**499,730**	**—**

	Equity attributable to owners of the parent company					Non-controlling interests	Total equity
	Other components of equity						
	Exchange differences on translating foreign operations	Cash flow hedges	Total	Retained earnings	Total		
Balance as of April 1, 2017	**36,153**	**(45)**	**454,445**	**2,436,028**	**3,312,724**	**134,358**	**3,447,082**
Profit for the year	—	—	—	320,561	320,561	22,883	343,444
Other comprehensive income (loss)	(7,619)	199	89,670	—	89,670	2,380	92,050
Comprehensive income (loss) for the year	**(7,619)**	**199**	**89,670**	**320,561**	**410,231**	**25,263**	**435,494**
Acquisition of treasury stock	—	—	—	—	(26,486)	—	(26,486)
Disposal of treasury stock	—	—	—	—	0	—	0
Dividends	—	—	—	(97,837)	(97,837)	(11,569)	(109,406)
Changes in the ownership interest in subsidiaries without loss of control	—	—	—	—	—	(3,557)	(3,557)
Changes from business combination	—	—	—	—	—	31,638	31,638
Transfer to retained earnings	—	—	(15,697)	15,697	—	—	—
Other increase (decrease)	—	—	—	(311)	(311)	(161)	(472)
Total transactions with the owners	**—**	**—**	**(15,697)**	**(82,451)**	**(124,634)**	**16,351**	**(108,283)**
Balance as of March 31, 2018	**28,534**	**154**	**528,418**	**2,674,138**	**3,598,321**	**175,972**	**3,774,293**

Notes to the Consolidated Financial Statements

1. Basis of Presenting the Consolidated Financial Statements

(1) Basis of preparation of the consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") under the provision of Article 120, Paragraph 1 of the Company Accounting Regulations. Certain disclosures required by IFRS have been omitted from these consolidated financial statements under the provision set forth in the second sentence of said paragraph.

(2) Scope of consolidation

1) Number of consolidated subsidiaries: 220

2) Names of the principal consolidated subsidiaries:

(Domestic)

A total of 72 companies including DENSO SALES JAPAN CORPORATION, ASMO CO., LTD., TDMOBILE CORPORATION, DENSO TEN LTD., and DENSO TEN MANUFACTURING LTD.

(Overseas)

A total of 148 companies including DENSO INTERNATIONAL AMERICA, INC., DENSO MANUFACTURING MICHIGAN, INC., DENSO MANUFACTURING TENNESSEE, INC., DENSO MANUFACTURING ATHENS TENNESSEE, INC., DENSO TEN AMERICA LTD., DENSO SALES CANADA, INC., DENSO MEXICO S.A. DE C.V., DENSO EUROPE B.V., DENSO MANUFACTURING HUNGARY, LTD., DENSO INTERNATIONAL ASIA PTE., LTD. (Singapore), DENSO SALES (THAILAND) CO., LTD., DENSO (THAILAND) CO., LTD., SIAM DENSO MANUFACTURING CO., LTD., PT. DENSO SALES INDONESIA, DENSO (CHINA) INVESTMENT CO., LTD., and TIANJIN DENSO ELECTRONICS CO., LTD.

(3) Application of the equity method

1) Number of associates accounted for by the equity method: 65

2) Name of the principal associates accounted for by the equity method:

(Domestic) TSUDA INDUSTRIES CO., LTD., Jeco Co., Ltd. and 15 other companies (a total of 17)

(Overseas) MICHIGAN AUTOMOTIVE COMPRESSOR, INC. and 47 other companies (a total of 48)

(4) Summary of significant accounting policies

1) Business combination and goodwill

Business combinations are accounted for using the acquisition method. Consideration transferred in a business combination is measured at as the sum of the acquisition-date fair value of the assets transferred, the liabilities assumed and equity instruments issued by the Company and its subsidiaries (hereinafter the "Group") in exchange for control over an acquiree. Acquisition-related costs incurred are recognized as expenses.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in other versions of IFRS.

The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date, except:

- Deferred tax assets (or liabilities) and liabilities (or assets) related to employee benefit arrangements are recognized and measured in accordance with International Accounting Standard ("IAS") 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;
- Assets or disposal groups that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are recognized and measured in accordance with the standard; and
- Liabilities or equity instruments related to share-based remuneration of the acquiree or share-based remuneration of the Group entered into to replace such arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment*.

Any excess of the consideration of acquisition over the fair value of identifiable assets and liabilities is recognized as goodwill in the consolidated statement of financial position. If the consideration of acquisition is lower than the fair value of the identifiable assets and liabilities, the difference is immediately recognized as gain in the consolidated statement of income. The additional acquisition of non-controlling interests after obtaining control is accounted for as an equity transaction without recognition of goodwill.

Goodwill has been measured at the initially recognized value at the date of the business combination less accumulated impairment losses and included in "Intangible assets" in the consolidated statement of financial position. Goodwill is not amortized, but instead, tested for impairment annually or whenever there is any indication of impairment. Impairment losses on goodwill are recognized in the consolidated statement of income and no subsequent reversal is made.

If the initial accounting of a business combination has not been completed by the end of the reporting period in which the business combination occurs, the Group reports provisional amounts for uncompleted accounting items. The Group will revise the provisional amounts during the measurement period (not exceeding one year) or recognize additional assets or liabilities in order to reflect new information obtained regarding the facts and circumstances that existed as of the date of acquisition and would have affected the amounts recognized on the date of acquisition, if such amounts have been ascertained.

2) Financial assets

The Group has made an early adoption of IFRS 9 *Financial Instruments* (as amended in October 2010).

i) Initial recognition and measurement

The Group classifies financial assets into financial assets measured at amortized cost and financial assets measured at fair value based on their nature and holding purposes. The Group determines the classification at initial recognition. The sale or purchase of financial assets occurred in the normal course of business are recognized or derecognized at the transaction date.

a) Financial assets measured at the amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets measured at the amortized cost are measured initially at fair value plus transaction costs directly attributable to the acquisition.

b) Financial assets measured at fair value

If the financial assets do not meet the above condition, they are classified as financial assets measured at fair value through profit or loss or other comprehensive income.

Equity instruments are measured at fair value. By its irrevocable designation, the financial assets held for trading are measured at fair value with changes recognized through profit or loss, or otherwise are measured at fair value with changes recognized through other comprehensive income. The designation has been applied consistently.

Financial assets other than equity instruments that do not meet the condition in relation to the measurement of amortized cost are measured at fair value with changes recognized through profit or loss.

Financial assets measured at fair value through profit or loss are initially measured at fair value and transaction costs are recognized in profit or loss when they occur. Financial assets measured at fair value through other comprehensive income are initially measured at fair value plus transaction costs directly attributable to the acquisition.

ii) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows:

a) Financial assets measured at amortized cost

The carrying amount of financial assets measured at amortized cost is measured using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest income is recognized in profit or loss, and included in "Finance income" in the consolidated statement of income. In cases where a financial asset measured at amortized cost is derecognized, the difference between the carrying amount and the consideration received or receivable is recognized in profit or loss.

b) Financial assets measured at fair value

Changes in the fair value of financial assets measured at fair value are recognized in profit or loss. However, gains or losses occurring from the disposal or remeasurement of fair value of the equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income and accumulated within "Other components of equity," and is not recognized in profit or loss. The amount is transferred to retained earnings when the equity instruments are derecognized. Dividends for equity instruments are recognized in profit or loss for the period when the right to receive dividends is established and included in "Finance income" in the consolidated statement of income. Net gains or losses arising from the equity instruments measured at fair value through profit or loss are recognized as "Finance income" or "Finance costs" in the consolidated statement of income. The interest income from the debt instruments is also included in net gains or losses above.

iii) Impairment of financial assets measured at amortized cost

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial assets measured at amortized cost are impaired. Objective evidence of impairment includes: a default or delinquency of the borrower, granting the borrower a concession that the companies would not otherwise consider, indications for bankruptcy of the issuer or obligor and the disappearance of active markets.

If there is any objective evidence that impairment losses on financial assets measured at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

When impairment is recognized, the carrying amount of the financial asset measured at amortized cost is reduced by an allowance for doubtful accounts and impairment losses are recognized as "Other expenses" in the consolidated statement of income. The carrying amount of financial assets is directly reduced for the impairment when they are expected to become uncollectible in the future and all collaterals are implemented or transferred to the companies in the Group. If, in a subsequent period, the estimated amount of the impairment loss provided changes due to an event occurring after the impairment was recognized, the previously recognized impairment losses are adjusted through the allowance for doubtful accounts.

iv) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers the contractual right to receive cash flows from financial assets in transactions in which substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor holds substantially all the risks and rewards of ownership of the asset and continues to control the transferred asset, the Group recognizes the retained interest on the assets and the relevant liabilities that might possibly be paid in association therewith.

3) Hedge accounting and derivatives

The Group utilizes derivatives, including currency swaps, interest rate swaps and foreign exchange forward contracts to hedge foreign exchange and interest rate risks. These derivatives are initially measured at fair value when the contract is entered into, and are subsequently remeasured at fair value at each reporting period.

The Group has derivatives held for hedging purposes but do not qualify for hedge accounting. The fluctuation on the fair value of these derivatives is recognized in profit or loss immediately.

At the inception of the hedge, the Group formally designates and documents the hedging relationship between the hedging instruments and the hedged items by following the objectives of risk management and the strategies for undertaking the hedge. In addition, the Group assesses on a quarterly basis whether the hedging instruments are highly effective in offsetting changes in cash flows of the hedged items attributable to the hedged risk at the inception of the hedge and during its term. To qualify as a cash flow hedge of a forecast transaction, the transaction must be highly probable.

Cash flow hedge

The Group adopts only cash flow hedge as its approach to hedge accounting.

The effective portion of gains or losses on hedging instruments is recognized as other comprehensive income, while the ineffective portion is recognized immediately in profit or loss in the consolidated statement of income.

The amount of hedging instruments recognized in other comprehensive income is reclassified to profit or loss when the transactions of the hedged items affect profit or loss.

Hedge accounting is discontinued prospectively when the hedge no longer qualifies for hedge accounting, or when the hedging instrument expires or is sold, terminated or exercised, or when the designation is revoked.

When hedge accounting is discontinued, the balances of other comprehensive income related to cash flow hedges remain until the forecast transaction affects profit or loss. When a forecast transaction is no longer expected to occur, the balance of other comprehensive income related to cash flow hedges is recognized immediately in profit or loss.

4) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and the cost is determined mainly using the periodic average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

5) Depreciation or amortization methods of property, plant and equipment and intangible assets

i) Property, plant, and equipment

Except for assets that are not subject to depreciation such as land and construction in progress, property, plant, and equipment is depreciated mainly using the straight-line method over their estimated useful lives as follows.

The estimated useful lives and depreciation method are reviewed at each end of the reporting period.

- Buildings and structures: 6 to 50 years
- Machinery and vehicles: 3 to 10 years
- Other: 2 to 10 years

ii) Intangible assets

Intangible assets with finite useful lives are amortized by using the straight-line method over their estimated useful lives as follows.

- Software: 3 to 5 years
- Development costs: 3 years
- Customer-related assets: 8 years
- Technology-related assets: 10 years

6) Impairment of non-financial assets

The Group assesses, for each fiscal year, whether there is any indication that an asset may be impaired. If any indication exists, or in cases where the impairment test is required to be performed each year, the recoverable amount of the asset is estimated. In cases that the recoverable amount cannot be estimated for each asset, it is estimated by the cash-generating unit to which the asset belongs. The grouping of assets in applying impairment accounting of the Group is determined by business group, which is the unit used in management accounting to understand profits and losses on an ongoing basis. In addition, assets are grouped into rented property group and idle property group, with each property as a minimum unit. Meanwhile, the headquarters and welfare facilities are categorized as corporate assets because they do not generate cash flows independently.

The impairment losses are included in “Other expenses” in the consolidated statement of income. Assessment for impairment is performed with respect to each asset, cash-generating unit or group of cash-generating units. The recoverable amount of an asset or a cash-generating unit (or group of cash-generating units) is determined at the higher of its fair value less costs of disposal and its value in use. If the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, impairment losses are recognized and the carrying amount is reduced to the recoverable amount. In determining the fair value less costs of disposal, the Group uses an appropriate valuation model supported by available fair value indicators. In determining the value in use, estimated future cash flows are calculated using discount rates that reflect current market assessments of the time value of money.

The Group assesses whether there is any indication that an impairment loss recognized in prior years for an asset other than goodwill may no longer exist or may have decreased, such as any changes in assumptions used for the determination of the recoverable amount. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. In cases that the recoverable amount exceeds the carrying amount of the asset or cash generating unit, impairment losses are reversed up to the lower of the estimated recoverable amount or the carrying amount (net of depreciation) that would have been determined if no impairment losses had been recognized in prior years. However, an impairment loss recognized for goodwill is not reversed.

7) Recognition criteria for provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations.

Where the effect of the time value of money is material, the amount of a provision is measured by discounting the estimated future cash flows at the discount rate that is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount due to the passage of time is recognized as "Finance costs" in the consolidated statement of income.

The main provisions are recorded as follows.

Reserve for product warranties:

Reserve for product warranties is recognized at an estimated amount of warranty expenses and timing of economic benefit outflows based on past experiences for after-sales service expenses incurred.

Provision for loss on antitrust issues:
Provision for loss on antitrust issues is recognized at an estimated amount of potential future losses to prepare for payments of settlements, etc., with regard to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts.

8) Employee benefits

i) Post-employment benefits

a) Defined benefit plans

The Group has defined benefit pension plans and lump-sum benefit plans.

Defined benefit plans are post-employment benefit plans other than defined contribution plans ((refer to b) below). The Group’s net defined benefit obligations are calculated respectively for each plan by estimating the future amount of benefit that employees have earned in exchange for their service for the previous years and the current year. The benefits are discounted to determine the present value. These calculations are performed annually by qualified actuaries using the projected unit credit method. The fair values of plan assets are deducted from the above calculation results.

The discount rates are equivalent to the market yields of AA credit-rated corporate bonds at the end of each reporting period that have maturity terms approximating those of the Group’s obligations. Increase/decrease in benefit obligations for employee’s past services due to the revision of the pension plan is recognized in profit or loss. The Group recognizes the increase/decrease in obligations due to the remeasurement of benefit obligations and plan assets of defined benefit plans in other comprehensive income and then immediately reclassifies them from other comprehensive income to retained earnings.

b) Defined contribution plans

Defined contribution plans are post-employment benefit plans in which the employer pays fixed contributions into separate entities and will have no legal or constructive obligation to make further contributions. The obligations for contributions to defined contribution plan are recognized as an expense during the period when the service is rendered.

ii) Other long-term employee benefits

Long-term employee benefits, such as long-service employee awards, are recognized as a liability when the Group has present constructive obligations to pay as a result of past employee service, and when reliable estimates of the obligation can be made. The Group’s long-term employee benefits are calculated by discounting the estimated future amount of benefit to the present value.

The discount rates are equivalent to the market yields of AA credit-rated corporate bonds at the end of each reporting period that have maturity terms approximating those of the Company’s obligations.

iii) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed during the period when the service is rendered.

Bonus accrual is recognized as a liability, when the Group has present legal or constructive obligations to pay as a result of past employee service, and when reliable estimates of the obligation can be made.

9) Revenue

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods transfer to the buyers, the Group retains neither continuing managerial involvement nor effective control over the goods sold, it is probable that the future economic benefits will flow to the Group, and the amount of revenue and the corresponding costs can be measured reliably.

The amount that is recognized as revenue is the inflows of economic benefits from which sales-related tax, rebates and similar items are excluded.

In the sales of products and merchandise, if the Group has sold them as the principal obligor of a contract by assuming the general risk of inventory before receiving purchase orders from customers, the relevant revenue is recognized in a gross amount in the consolidated statement of income.

10) Foreign currency translation

Each company in the Group specifies its own functional currency, the currency of the primary economic environment in which the entity operates, and measures transactions based on the functional currency. The foreign currency transactions are translated into the functional currency at the rates of exchange prevailing at the dates of transactions or an approximation of the rate.

Monetary items denominated in foreign currencies are retranslated into each company's functional currency at the current exchange rates at the end of the reporting period. Non-monetary items denominated in foreign currencies that are measured at the acquisition cost are translated at the rate of the transaction date. Other items denominated in foreign currencies that are measured at the fair value are translated at the rates prevailing at the date when the fair value was determined.

Differences arising from the translation and settlement are recognized in profit or loss during the period, as presented in "Foreign exchange gain or loss" in the consolidated statement of income.

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the parent and the presentation currency of the consolidated financial statements. In order to present the consolidated financial statements, the assets and liabilities of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the fiscal year-end, while revenue and expenses of foreign operations are translated into Japanese yen at the average exchange rates for the period, unless exchange rates significantly fluctuate during the period. The translation differences are recognized as "Exchange differences on translating foreign operations" in the other comprehensive income and its cumulative amount is classified as "Other components of equity" of the equity section. In the event of a loss of control due to the disposal of foreign operations, the relevant cumulative amount of translation differences is recognized in profit or loss during the period in which they are disposed of.

Goodwill and fair value adjustments resulting from the acquisition of foreign operations are retranslated as assets and liabilities of such foreign operations as at the end of the reporting period, and exchange differences are recognized in "Other components of equity."

2. Notes to the Consolidated Statement of Financial Position

(1) Accumulated depreciation of property, plant and equipment ¥3,405,130 million

Accumulated depreciation of property, plant and equipment includes accumulated impairment loss.

(2) Other

The details of contingent liabilities in this consolidated fiscal year are as follows:

Concerning the Antitrust Law

1) Investigations by Countries and Competition Authorities

The Company is responding to the authorities' investigations in certain jurisdictions.

2) Civil Lawsuits

The Company and certain subsidiaries of the Group are among the defendants named in several lawsuits in the United States and Canada wherein damages are claimed on suspicion of violation of antitrust law or competition law in connection with certain past transactions concerning specific auto parts.

In the United States, depending upon the particular auto part, putative class action lawsuits have been filed against the Company and certain subsidiaries of the Group on behalf of putative classes of direct purchasers (e.g., tier-one suppliers, RV manufacturers and aftermarket parts distributors). Lawsuits also have been filed by several state attorneys general on behalf of their state's government entities and/or citizens within their states, by an automotive insurance company, and by certain automobile dealerships.

Progress in these cases may differ depending on the procedural nature of the suit and the products involved. In the putative class action lawsuits, each case will be subject to the process known as discovery (a procedure where the parties to the litigation mutually disclose evidence, such as documents, relating to the subject matter of the litigation prior to trial). After discovery concludes and followed by defendants' motion practices, if any, plaintiffs may bring motions for class certification, to allow them to assert the claims of all members of their putative classes. Only after such motions are decided will the cases proceed to any trial on the merits. In the lawsuits filed by the state attorneys general, the automotive insurance company, and the automobile dealerships, however, there is no such process for considering class certification, and any trial on the merits will commence after discovery concludes.

In Canada, a number of putative class actions have been filed in several provinces against the Company and certain subsidiaries of the Group on behalf of both direct purchasers (e.g., automobile manufacturers) and indirect purchasers (e.g., automobile dealerships and vehicle purchasers). Class certification in Canada occurs at an earlier stage of the process than in the U.S., prior to any discovery.

In each of these cases in the U.S. and Canada, however, the Company could commence settlement discussions with the plaintiffs at any time in the proceedings and reach a settlement.

3) Individual Settlement Negotiations

The Company has been engaged in negotiations with the Company's major customers (certain automobile manufacturers), individually concerning the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts.

In relation to certain of these matters, the Company has estimated its potential payable amounts and has reserved such amounts in the "Other expenses" category (See item (1) of "3. Notes to the Consolidated Statement of Income.").

Please note that pursuant to IAS 37, the Company has not disclosed the overall content of these disputes because the disclosure of such information could be expected to prejudice the position of the Company.

3. Notes to the Consolidated Statement of Income

(1) Settlement amounts, etc., with regard to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts, are reported as loss on antitrust issues in the amount of ¥10,424 million.

4. Notes to the Consolidated Statement of Changes in Equity

(1) Type and total number of shares issued as of March 31, 2018: 794,068,713 shares of common stock

(2) Dividends

1) Dividends paid

Resolution	Type of stock	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 28,2017	Common stock	47,153	60	March 31, 2017	May 29, 2017
Board of Directors meeting held on October 31, 2017	Common stock	50,684	65	September 30, 2017	November 27, 2017

2) Of the dividends for which the record date belongs to the fiscal year ended March 31, 2018, those for which the effective date of the dividends will be in the fiscal year ending March 31, 2019

A resolution was made as follows at the Board of Directors meeting held on April 27, 2018.

Resolution	Type of stock	Total dividend amount (Millions of yen)	Source of funds for dividends	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 27, 2018	Common stock	50,684	Retained earnings	65	March 31, 2018	May 28, 2018

5. Notes to Financial Instruments

(1) Status of financial instruments

1) Capital management

To achieve sustainable growth, the Group aims to ensure financial health while continuing stable and lasting return to shareholders by managing its resources into activities such as facility investment in business, research and development, and merger and acquisition. Generally, the operating cash flows cover such funding by keeping and strengthening the Group's profitability and cash-generating ability, with additional interest-bearing debt, such as bonds and borrowings, if necessary. In addition, the Group secures funds to maintain the stable financial health in the long term. The Group is not subject to any externally imposed restriction on capital as of March 31, 2018.

2) Description and extent of financial risks

1) Financial risk management policy

In the course of business activities, the Group is exposed to financial risks, such as credit risks, market risks and liquidity risks, and performs risk management activities in accordance with certain policies to avoid or reduce these risks. The policy of asset management and derivative transactions at the Group, are approved by the Board of Directors of the Company at the beginning of each fiscal year, the transactions and relevant risk management during the period are implemented primarily in accordance with internal regulations.

The Group policy limits derivative transactions for the purpose of mitigating risks arising from transactions on actual demand. Therefore, the Group does not enter into derivative transactions for speculation purposes.

i) Credit risk

Trade receivables such as notes and accounts receivable are exposed to credit risk of the customers. The Group manages trade receivables based on the due dates and balance by customer. For those customers whose credit risk is of concern to the Group, measures to protect the receivables are individually developed and implemented by periodically monitoring the status and evaluating the default risk due mainly to deterioration of their financial standing at an earlier stage.

As short-term bond investment trusts as well as government and corporate bonds held by the Group for investment in debt instruments are all highly-rated instruments or instruments issued by highly-rated financial institutions and other issuers in accordance with internal asset management regulations, credit risk is deemed as immaterial.

The Group enters into derivative transactions only with highly-rated financial institutions to minimize counterparty risks.

The carrying amount of financial assets, net of accumulated impairment loss, presented in the consolidated statement of financial position represents the maximum exposure of the Group's financial assets to credit risks without taking account of the value of collaterals obtained.

ii) Market risk

Foreign exchange risk

The Group operates globally and is exposed to foreign currency risks related to transactions in currencies other than the local currencies in which the Group operates. Such foreign exchange risk is economically hedged principally by forward foreign currency contracts related to the foreign currency trade receivables and payables. Currency swaps are used as derivative transactions for the borrowings in foreign currency.

Risk management is performed by the Company's accounting division based on the internal guidelines which prescribe the authority and the limits for each transaction. The actual results of such transactions are reported monthly to the executive supervising the accounting division. The consolidated subsidiaries conduct the management of their derivative transactions based on the similar guidelines.

Interest-rate risks

Since the Group borrows funds at both fixed interest rates and variable interest rates, the Group's borrowings and bonds are exposed to interest rate fluctuation risk. The Group's interest-bearing borrowings mainly consist of bonds and borrowings with fixed interest rates, and the borrowings at the variable interest rate are practically equivalent to fixed interest rate bonds by using corresponding interest-rate swap agreement in principle.

Risk management is performed by the Company's accounting division based on the internal guidelines which prescribe the authority and the limits for each transaction. The actual results of such transactions are reported monthly to the executive supervising the accounting division. The consolidated subsidiaries conduct the management of their derivative transactions based on the similar guidelines.

iii) Liquidity risk

The Group raises funds by borrowings and bonds, however, such debts are exposed to the liquidity risk that the Group would not be able to repay debts on the due date due to the deterioration of the financing environment. The Group manages its liquidity risk by holding adequate volumes of assets with liquidity to cover the amounts of one month's consolidated revenue of the Group, along with adequate financial planning developed and revised by the Group's accounting department based on the reports from each business unit.

iv) Price fluctuation risk of equity instruments

The Group is exposed to price fluctuation risk arising from equity instruments (stocks). As these investments are not held for short-term trading purpose, but mainly for forming a business alliance or strengthening a business relationship with business partners, the Group does not sell these investments frequently. The Group reviews holding status of such equity instruments on an ongoing basis in light of the relationship with the business partners by periodically evaluating their fair values as well as the financial condition of the issuers (i.e. business partners).

(2) Fair value of financial instruments

The carrying amounts and fair values of financial instruments held as of March 31, 2018 (consolidated closing date of the current fiscal year) are presented as follows.

1) Financial instruments measured at amortized cost

(Unit: Millions of yen)

	Carrying amount	Fair value
Financial assets		
Debt securities	13,440	13,478
Financial liabilities		
Long-term borrowing (Note)	229,005	227,775
Corporate bonds (Note)	180,000	179,723

(Note) The current portions are included in these amounts.

As the fair value of short-term financial assets and short-term financial liabilities, which are measured at amortized cost, approximates carrying amounts, their note disclosures are omitted.

As the fair value of long-term borrowings is calculated based on the present value which is obtained by discounting the sum of the principal amount and interest payments at an interest rate assumed to be applied if the same loans were newly executed.

2) Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

(Unit: Millions of yen)

	Carrying amount	Fair value
Derivative assets	4,550	4,550
Stocks		
Listed stocks	1,211,703	1,211,703
Unlisted stocks	99,014	99,014
Other equity securities	2,516	2,516
Derivative assets	10,232	10,232

Derivatives used by the Group primarily consist of foreign exchange forward contracts, currency swaps, and interest rate swaps.

The fair values of foreign exchange forward contracts are determined based on the forward foreign exchange quotations for similar contracts with similar terms. With respect to interest swaps and currency swaps, the fair values are determined by reference to prices quoted by financial institutions.

The fair values of unlisted stocks and other equity securities are determined by using the adjusted market value method with adjustments to the market value using the PBR, or price book-value ratio, if necessary. In addition, immaterial items are measured by the book value of net assets method.

The liquidity discount, which is a significant unobservable input used in measuring the fair value of unlisted shares and other equity securities, is assumed to be 30%.

6. Notes to Per Share Data

(1) Equity per share attributable to owners of the parent company ¥4,614.87
(2) Basic earnings per share ¥410.45

7. Notes to Business Combinations

(1) TDmobile Corporation

Effective as of July 1, 2017, the Company has made TDmobile Corporation a newly consolidated subsidiary of the Company.

1) Overview of the business combination

TDmobile Corporation (hereinafter, "TDmobile"), an associate of the Company which primarily conducts the mobile phone sales business, became a newly consolidated subsidiary of the Company as of July 1, 2017 through TDmobile's acquisition of its own shares on the same date. As a result of TDmobile's acquisition of its own shares, the ownership ratio of TDmobile's voting rights held by the Company rose from 49% (as of June 30, 2017) to 51% (as July 1, 2017), and thus the Company holds the majority of the voting rights.

2) Reason for the business combination

The Company aims to further expand its business scale by collaborating with TDmobile in business fields such as in-vehicle communications products and services, which the Company focuses on, and non-in-vehicle information distribution systems for local communities.

3) Summary of the acquiree

Name: TDmobile Corporation

Main businesses: Dealership sales of mobile phones, development and provision of mobile solutions

4) Date of the acquisition of control

July 1, 2017

5) Consideration transferred and breakdown thereof

(Unit: Millions of yen)

	Amount
Fair value of equity interest in TDmobile already held at the time of the acquisition of control	16,656
Total consideration transferred	16,656

As a result of the remeasurement of equity interest already held at the time of the acquisition of control by the Company in TDmobile at fair value on the acquisition date, the Company recognized a gain on the acquisition of ¥11,646 million. The gain is recorded as "Other income" in the consolidated statement of income.

6) Fair values of assets and liabilities, non-controlling interests and goodwill at the date of the acquisition of control

(Unit: Millions of yen)

	Amount
Total consideration transferred (A)	16,656
Assets	
Trade and other receivables	5,501
Other current assets	3,403
Intangible assets	14,549
Other non-current assets	2,900
Total assets	26,353
Liabilities	
Current liabilities	3,881
Non-current liabilities	5,086
Total liabilities	8,967
Net assets (B)	17,386
Non-controlling interests (Note 1) (C)	8,519
Goodwill (Note 2) (A-(B-C))	7,789

(Note 1) Non-controlling interests

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured as of the date of the acquisition of control at the non-controlling interests' proportionate share after the business combination of the acquiree's identifiable net assets.

(Note 2) Goodwill

Goodwill reflects prospective excess earning power that are expected from the future business development and the synergy between the Company and the acquiree.

7) Proceeds from the acquisition of control over subsidiaries

(Unit: Millions of yen)

	Amount
Cash and cash equivalents held by the acquiree at the time of the acquisition of control	87
Proceeds in cash from the acquisition of control over the subsidiary	87

8) Revenue and loss for the year of the acquiree

The amounts of the acquiree's revenue and loss for the year before elimination of inter-company transactions after the acquisition date, which are recognized in the consolidated statement of income, are ¥82,713 million and ¥763 million, respectively.

In addition, the above loss for the year includes amortization expenses for intangible assets recognized at the acquisition date.

(2) FUJITSU TEN LIMITED

Effective as of November 1, 2017, the Company has made FUJITSU TEN LIMITED a newly consolidated subsidiary of the Company.

1) Overview of the business combination

FUJITSU TEN LIMITED (hereinafter, "FUJITSU TEN") became a newly consolidated subsidiary of the Company as of November 1, 2017 by obtaining a portion of shares held by FUJITSU LIMITED (hereinafter, "FUJITSU") in its consolidated subsidiary FUJITSU TEN on the same date. The ownership ratio of FUJITSU TEN's voting rights held by the Company rose from 10% (as of October 31, 2017) to 51% (as of November 1, 2017), and thus the Company holds the majority of the voting rights.

2) Reason for the business combination

FUJITSU TEN was established in 1972 as a spinoff of FUJITSU's radio division. Since Toyota Motor Corporation and the Company took stakes in 1973, FUJITSU TEN has offered various products and services as a manufacturer of car electronics products including audio and multimedia. Recently, FUJITSU TEN has strengthened its Vehicle-ICT business to create new value, while accelerating collaboration with the FUJITSU Group companies to transform itself from a supplier of standalone products to a system manufacturer that proposes and provides connected in-vehicle information equipment and services.

In the automotive field, the interface between the driver and vehicle is becoming increasingly important due to remarkable technological innovations. Against this backdrop, the Company has made FUJITSU TEN its group company to enhance cooperation between the two companies in developing in-vehicle ECUs, millimeter-wave radar, advanced driver assistance/automated driving technologies, and basic electronic technologies and to improve corporate value together.

3) Summary of the acquiree

Name: FUJITSU TEN LIMITED (New company name: DENSO TEN LIMITED)

Main businesses: Development, manufacture, and sales of infotainment equipment and automotive electronics equipment

4) Date of the acquisition of control

November 1, 2017

5) Consideration transferred and breakdown thereof

(Unit: Millions of yen)

	Amount
Cash consideration for the acquisition	16,511
Fair value of equity interest in FUJITSU TEN already held at the time of the acquisition of control	4,027
Total consideration transferred	20,538

Acquisition-related costs of ¥360 million (previous fiscal year: ¥228 million, current fiscal year: ¥132 million) arising from the business combination are recorded in "Selling, general and administrative expenses."

6) Fair values of assets and liabilities, non-controlling interests and goodwill at the date of the acquisition of control

(Unit: Millions of yen)

	Amount
Total consideration transferred (A)	20,538
Assets	
Trade and other receivables	59,514
Other current assets	48,182
Intangible assets	27,813
Other non-current assets	41,003
Total assets	176,512
Liabilities	
Current liabilities	115,843
Non-current liabilities	18,950
Total liabilities	134,793
Net assets (B)	41,719
Non-controlling interests (Note 2) (C)	23,119
Goodwill (Note 3) (A-(B-C))	1,938

(Note 1) Adjustments to the provisional amounts

Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. The allocation of the consideration transferred was finalized in the three months ended March 31, 2018. As a result of an additional analysis on the fair value of FUJITSU TEN, goodwill decreased ¥4,322 million. This is mainly due to an increase in intangible assets of ¥13,662 million and a decrease in other non-current assets of ¥2,177 million from the initial provisional amounts.

(Note 2) Non-controlling interests

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation are measured as of the date of the acquisition of control at the non-controlling interests' proportionate share after the business combination of the acquiree's identifiable net assets.

(Note 3) Goodwill

Goodwill reflects prospective excess earning power that are expected from the future business development and the synergy between the Company and the acquiree.

7) Payment for the acquisition of control over subsidiaries

(Unit: Millions of yen)

	Amount
Cash consideration for the acquisition	16,511
Cash and cash equivalents held by the acquiree at the time of the acquisition of control	10,668
Payment by cash for the acquisition of control over the subsidiary	5,843

8) Revenue and loss for the year of the acquiree

The amounts of the acquiree’s revenue and loss for the year before elimination of inter-company transactions after the acquisition date, which are recognized in the consolidated statement of income, are ¥161,783 million and ¥2,837 million, respectively.

In addition, the above loss for the year includes amortization expenses for intangible assets recognized at the acquisition date.

(3) Consolidated revenue and consolidated profit for the year assuming the business combination had been completed at the beginning of the fiscal year

Assuming that the date of acquisition of control had been April 1, 2017 for the business combinations with TDmobile and FUJITSU TEN, the pro forma information (unaudited) on the Company’s consolidated operating results for the twelve months ended March 31, 2018 would be as follows:

(Unit: Millions of yen)

	Amount
Revenue (Pro forma information)	5,349,081
Profit for the year (Pro forma information)	348,780

8. Note to Significant Subsequent Events

The Company issued unsecured bonds with inter-bond pari passu clause under the resolution at a meeting of the Board of Directors on March 9, 2018.

(1)

Name of bond	:	The 16th unsecured bonds
Total amount of issuance	:	¥30.0 billion
Interest rate	:	0.080%
Issuance price	:	¥100 per ¥100 par value
Redemption period	:	March 20, 2023
Due date of payment	:	April 26, 2018
Application of funds	:	Parts of funds for redemption of bonds and working capital

(2)

Name of bond	:	The 17th unsecured bonds
Total amount of issuance	:	¥20.0 billion
Interest rate	:	0.180%
Issuance price	:	¥100 per ¥100 par value
Redemption period	:	March 19, 2025
Due date of payment	:	April 26, 2018
Application of funds	:	Parts of funds for redemption of bonds and working capital

(3)

Name of bond	:	The 18th unsecured bonds
Total amount of issuance	:	¥40.0 billion
Interest rate	:	0.315%
Issuance price	:	¥100 per ¥100 par value
Redemption period	:	March 17, 2028
Due date of payment	:	April 26, 2018
Application of funds	:	Parts of funds for redemption of bonds and working capital

Non-Consolidated Statement of Changes in Equity
(From April 1, 2017, to March 31, 2018)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus		Retained earnings					Treasury stock, at cost	Shareholders' equity
		Additional paid-in capital	Other capital surplus	Legal reserve	Other retained earnings					
					Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Earned surplus carried forward		
Balance as of April 1, 2017	**187,457**	**265,985**	―	**43,274**	**85**	**384**	**896,390**	**485,762**	**(31,180)**	**1,848,157**
Changes in the fiscal year										
Dividends from surplus	―	―	―	―	―	―	―	(97,837)	―	(97,837)
Reversal of reserve for special depreciation	―	―	―	―	(17)	―	―	17	―	―
Provision of reserve for advanced depreciation of fixed assets	―	―	―	―	―	162	―	(162)	―	―
Net income	―	―	―	―	―	―	―	162,483	―	162,483
Acquisition of treasury stock	―	―	―	―	―	―	―	―	(26,486)	(26,486)
Disposal of treasury stock	―	―	0	―	―	―	―	―	0	0
Net changes in items other than those in shareholders' equity	―	―	―	―	―	―	―	―	―	―
Total of changes in the fiscal year	―	―	**0**	―	**(17)**	**162**	―	**64,501**	**(26,486)**	**38,160**
Balance as of March 31, 2018	**187,457**	**265,985**	**0**	**43,274**	**68**	**546**	**896,390**	**550,263**	**(57,666)**	**1,886,317**

	Variance of estimate/conversion		Total equity
	Net unrealized gain on available-for-sale securities	Deferred gains on derivatives under hedge accounting	
Balance as of April 1, 2017	**390,730**	**(266)**	**2,238,621**
Changes in the fiscal year			
Dividends from surplus	―	―	(97,837)
Reversal of reserve for Special depreciation	―	―	―
Provision of reserve for advanced depreciation of fixed assets	―	―	―
Net income	―	―	162,483
Acquisition of treasury stock	―	―	(26,486)
Disposal of treasury stock	―	―	0
Net changes in items other than those in Shareholders' equity	75,813	87	75,900
Total of changes in the fiscal year	**75,813**	**87**	**114,060**
Balance as of March 31, 2018	**466,543**	**(179)**	**2,352,681**

Notes to the Non-Consolidated Financial Statements

1. Significant Accounting Policies

(1) Standard and method of valuation of securities

1) Investment in subsidiaries and associates
Stated at cost using the moving-average method.

2) Available-for-sale securities
Available-for-sale securities for which the market price is readily determinable:
Stated at the market price, based on the market quotation at the balance sheet date. Unrealized gains and losses are reported, net of applicable taxes, as a separate component of equity. The cost of securities sold is determined based on the moving-average method.
Available-for-sale securities for which the market price is not readily determinable:
Stated at cost mainly determined by the moving-average method.

(2) Derivatives are stated at the market price.

(3) Inventories are stated at cost determined by the gross average method (write-down of book values due to the decline in profitability for the amounts stated in the non-consolidated balance sheet)

(4) Depreciation of property, plant and equipment (excluding leased property) is computed by the declining-balance method, and the amortization of intangible assets (excluding leased property) and depreciation of leased assets are computed using the straight-line method.

(5) Accounting standards for reserves

Allowance for doubtful accounts:
Allowance for doubtful accounts is provided at an amount of possible losses from uncollectible receivables based on the past loan loss ratio for bad debts for ordinary receivables and on the estimated recoverability for specific doubtful receivables.

Accrued bonuses to employees:
Accrued bonuses to employees are recognized for payments of bonuses to employees at an amount estimated by the Company to be recorded for the current fiscal year.

Accrued bonuses to directors and corporate auditors:
Accrued bonuses to directors and corporate auditors are recognized for payments of bonuses to board members and audit & supervisory board members at an estimated amount to be recorded for the current fiscal year.

Reserve for product warranties:
Reserve for product warranties is provided at an amount projected for after-sales service of products based on past experience.

Provision for loss on antitrust issues:
Provision for loss on antitrust issues is recognized at an estimated amount of potential future losses to prepare for payments of settlements, etc., with regard to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts.

Liability for employees’ retirement benefits:
Liability for employees’ retirement benefits is provided at an amount calculated based on the projected benefit obligations and plan assets at the balance sheet date. Liability for employees’ retirement benefits and retirement benefit expenses are accounted for as follows:

1) Method of allocating the projected retirement benefits to periods
In calculating the projected benefit obligations, the benefit formula basis is used to allocate the projected retirement benefits to the years of service up to the end of the current fiscal year.

2) Amortization method for actuarial gains or losses and prior service cost
Prior service cost is amortized using the straight-line method over a certain period (10 years), which is shorter than the average remaining service period of employees at the time of the occurrence.

Actuarial gains or losses are amortized for the pro-rata amount computed by the straight-line method over a certain period (10 years), which is shorter than the average remaining service period of employees at the time of the occurrence, commencing from the following fiscal year of occurrence.

The accounting procedures for unrecognized actuarial gains or losses and unrecognized prior service cost pertaining to retirement benefits in the non-consolidated financial statements are different from those used in the consolidated financial statements.

Retirement allowances for directors and corporate auditors:

Retirement allowances for directors and corporate auditors is recognized at an amount considered necessary to be borne by the Company based on its in-house rules at the balance sheet date of the current fiscal year to prepare for possible payments to retiring board members and audit & supervisory board members.

Provision for loss on business of subsidiaries and associates:

Provision for loss on business of subsidiaries and associates is recognized at an expected amount to prepare for possible losses that could derive from the business of any subsidiaries and associates by taking into account the financial conditions of those companies.

(6) Hedge accounting

Interest rate and currency swap agreements are accounted for by deferred hedging accounting (valuation gains/losses on hedging instruments are deferred as assets/liabilities until the gains/losses on the underlying hedged instruments are realized). Preferential treatment accounting is applied to certain interest rate and currency swap agreements that satisfy the requirements.

(7) Transactions subject to the consumption tax and local consumption taxes are recorded at amounts exclusive of the consumption tax.

(8) Application of the consolidated taxation system

The Company has applied the consolidated taxation system since the current fiscal year.

2. Notes to the Non-Consolidated Balance Sheet

(1) Short-term monetary receivables due from subsidiaries and associates	¥393,119 million
(2) Short-term monetary payables due to subsidiaries and associates	¥386,486 million
(3) Accumulated depreciation of property, plant and equipment	¥2,040,242 million

(4) Other

See Item (2) of “2. Notes to the Consolidated Statement of Financial Position.”

3. Notes to the Non-Consolidated Statement of Income

(1) Sales to subsidiaries and associates	¥2,071,143 million
(2) Purchases from subsidiaries and associates	¥994,023 million
(3) Other operating transactions with subsidiaries and associates	¥31,913 million
(4) Transactions with subsidiaries and associates other than operating transactions	¥71,399 million

(5) Loss on antitrust issues

See item (1) of “3. Notes to the Consolidated Statement of Income.”

4. Note to the Non-Consolidated Statement of Changes in Equity

Number of shares of treasury stock at the end of the fiscal year: 14,314,088 shares

5. Note to Tax-Effect Accounting

The significant components of deferred tax assets and liabilities are summarized as follows:

(Deferred tax assets)	(Millions of yen)
Liability for employees’ retirement benefits	47,493
Depreciation and amortization	44,128
Accrued bonuses to employees	12,521
Impairment loss on investment in subsidiaries and associates	9,615
Reserve for product warranties	8,078
Other	93,973
Subtotal deferred tax assets	215,808
Valuation reserve	(19,788)
Total deferred tax assets	196,020

(Deferred tax liabilities)	
Net unrealized gain on available-for-sale securities	(196,959)
Prepaid pension cost	(45,848)
Other	(11,011)
Total deferred tax liabilities	(253,818)
Net deferred tax assets	(57,798)

6. Notes to Transactions with Related Parties

(1) Transactions with subsidiaries

<table>
<tr><th rowspan="2">Company name</th><th rowspan="2">Ownership percentage of voting rights</th><th rowspan="2">Business line</th><th colspan="2">Relationship with the Company</th><th rowspan="2" colspan="2">Description of important transactions</th><th rowspan="2">Transaction amount (Millions of yen)</th><th rowspan="2">Account item</th><th rowspan="2">The fiscal year-end balance (Millions of yen)</th></tr>
<tr><th>Officers’ posts concurrently held (persons)</th><th>Business relationship</th></tr>
<tr><td rowspan="4">DENSO FINANCE & ACCOUNTING CENTER CO., LTD.</td><td rowspan="4">Directly holding 100%</td><td rowspan="4">Entrusted accounting and financial operations as well as factoring</td><td rowspan="4">–</td><td rowspan="4">Factoring</td><td rowspan="2" colspan="2">Factoring</td><td rowspan="2">113,183</td><td>Accounts payable—trade</td><td>87,674</td></tr>
<tr><td>Accounts payable—other</td><td>10,476</td></tr>
<tr><td rowspan="2">Lending of loans receivable</td><td>Lending of loans receivable</td><td>23,961</td><td rowspan="2">Short-term loans receivable from subsidiaries and associates</td><td rowspan="2">24,152</td></tr>
<tr><td>Reception of interest</td><td>12</td></tr>
</table>

Notes:
1. The transaction amount does not include consumption taxes, whereas the fiscal year-end balance includes consumption taxes.
2. The transaction amount indicates the average balance during the fiscal year.
3. The lending of loans receivable and the reception of interest are determined by fully taking into account the market interest rate and other factors.
4. As for the transaction with DENSO FINANCE & ACCOUNTING CENTER CO., LTD., a portion of the payments for accounts payable—trade and accounts payable—other are settled via factoring under the master agreement entered into by and between the Company, its certain suppliers and DENSO FINANCE & ACCOUNTING CENTER CO., LTD.
5. As for the transaction with DENSO FINANCE & ACCOUNTING CENTER CO., LTD., the transfer of monetary payables is conducted at the net book value of the Company.

(2) Transactions with other subsidiaries/associates

Company name	Ownership percentage of voting rights	Business line	Relationship with the Company		Description of important transactions		Transaction amount (Millions of yen)	Account item	The fiscal year-end balance (Millions of yen)
			Officers' posts concurrently held (persons)	Business relationship					
Toyota Motor Corporation	Directly holding 24.24% Indirectly holding 0.17%	Manufacture and sale of automobiles and automotive components	Concurrent appointment: 2	The Company's products are sold thereto.	Operating transactions	Sale of various automotive components	1,126,257	Accounts receivable—trade	109,744
								Electronically recorded monetary claims-operating	33,924
								Accounts receivable—other	25
						Purchase of various automotive components	33,067	Accounts payable—trade	3,496

Notes:

1. The transaction amount does not include consumption taxes, whereas the fiscal year-end balance includes consumption taxes.
2. The above transactions are conducted through negotiations by taking into account the market price and other factors similar to those for general transactions.

7. Notes to Per Share Data

(1) Equity per share ¥3,017.21
(2) Net income per share ¥208.04

8. Note to Subsequent Events

At the Board of Directors meeting held on February 19, 2018, the Company resolved to absorb and merge with ASMO CO., LTD., a consolidated subsidiary of the Company, and the absorption-type merger was conducted on April 1, 2018 as the effective date of the business combination.

(1) Summary of the transaction

1) Company name and business description of the companies involved in the business combination

i) Combining company

Company name: DENSO CORPORATION (the Company)

Business description: Mainly development, manufacture, and sales of automotive components

ii) Combined company

Company name: ASMO CO., LTD.

Business description: Development, manufacture, and sales of small motor system products for automobiles

2) Effective date of the business combination

April 1, 2018

3) Legal form of the business combination

Absorption-type merger in which the Company is the surviving company and ASMO CO., LTD. is the absorbed company.

4) Company name after the business combination

DENSO CORPORATION

5) Other matters related to the overview of the transaction

Recently, the development of electrification and automated driving technologies has been accelerating. To achieve more environment-friendly and safer mobility, it is essential to improve the performance and reliability of motors which are important components in electrification and automated driving systems. In the DENSO Group, operation has been conducted of the small motor business by ASMO CO., LTD., and of large high-power motor business by the Company. Technology development for high-precision and high-value-added motors will require sophisticated technical innovation and product development for vehicles focusing mainly on electromechanical products. The decision on the merger is intended to achieve this goal by combining the strengths in motor technologies acquired over the years by both companies.

(2) Overview of the accounting treatment

In accordance with "Accounting Standard for Business Combinations" and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures," the business combination is accounted for as a transaction under common control.

9. Other Note

The amounts stated in the non-consolidated financial statements are rounded off to the nearest unit.